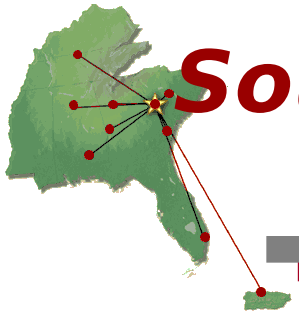


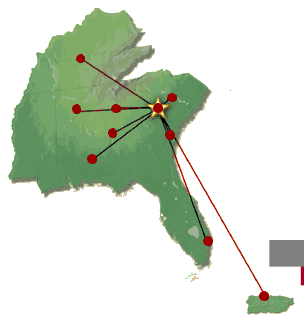
Southeast Regional Contracting Office (SERCO)

Government Purchase Card Program

Refresher Training

Presented by: Laurie A. Rimmer

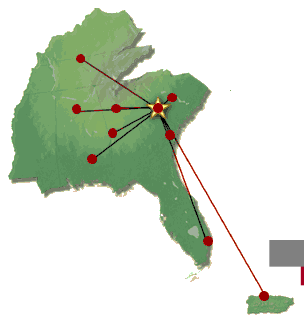
Agency/Organization Program Coordinator



Overview

CONTRACT

Contractor = US Bank
Authority = Federal Acquisition Regulation
Part 13
= Army FAR Supplement
Part 13.9
Share responsibility of all stakeholders

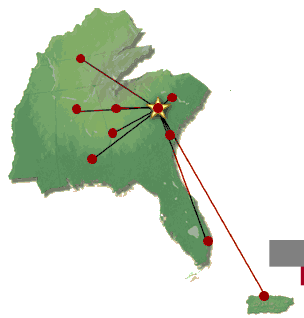


Overview

PROGRAM MANAGEMENT

SERCO is responsible for program management

In coordination with the comptroller on related finance and accounting policy issues

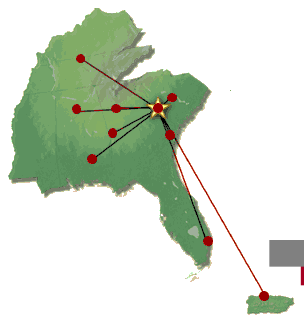


Overview

PURPOSE

Preferred method of payment for goods and services of “non-recurring” requirements less than $2,500—reduces cost of processing

Mandatory method of payment for office supplies



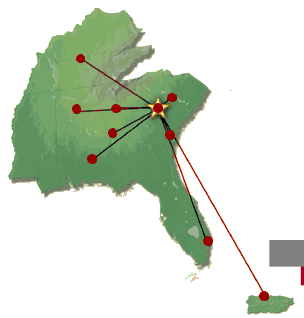
Overview

TYPES OF CREDIT CARD PROGRAMS

Travel Card—Travel related expenses

Fleet Card—Support of government-owned vehicles

Purchase Card—Supplies and services



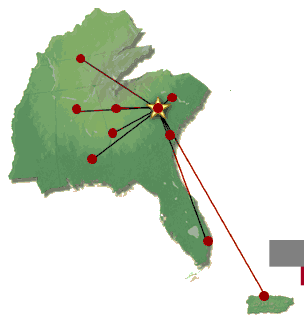
References

SOP—DA, MEDCOM, AND SERCO

Web address: http://serco.amedd.army.mil/

Under Purchase Card Program

Additional references are provided



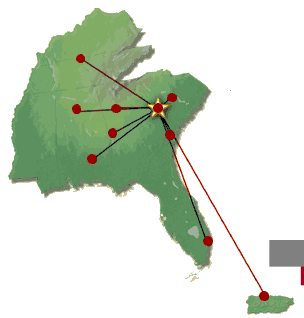
References

FEDERAL ACQUISITION REGULATION (FAR)

Web address: http://www.arnet.gov

Part 8 = Required Sources of Supplies and Services

Part 13 = Simplified Acquisition Procedures



Mandatory Sources

FAR, PART 8

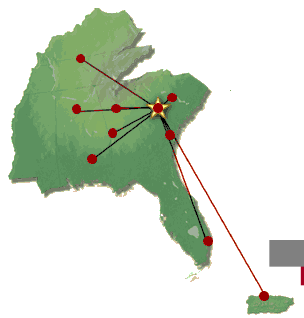
Agency inventory

Federal Prison Industries, Inc (UNICOR)

National Industries for Blind or Severely Handicapped (NIB and NISH)

Mandatory federal supply schedules

Commercial sources

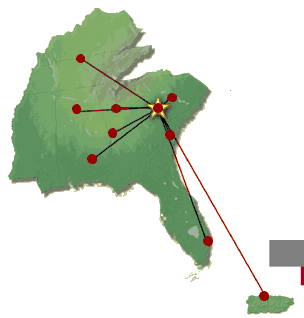


Mandatory Sources

FEDERAL PRISON INDUSTRIES (UNICOR)

Products may be procured "open market" if market research determines that the UNICOR product is not comparable to that product available from the private sector

Examples: Price—Quality—Time of delivery



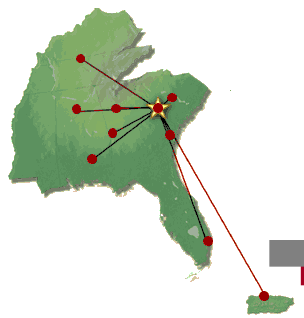
Mandatory Sources

JAVITS-WAGNER-O'DAY (JWOD) PROGRAM

JWOD is a public law requiring federal employees to buy from nonprofit agencies, employing the blind or severely disabled

JWOD creates jobs and training

JWOD is mandatory—no exception



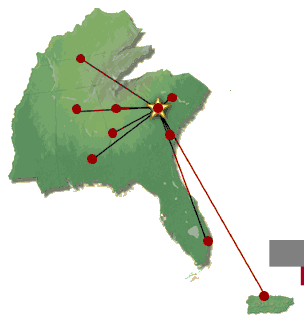
Mandatory Sources

GOVERNMENT PRINTING (Reference FAR 8.8)

Mandatory source = Defense Automated Printing Service (DAPS)

No other printing service allowed without waiver

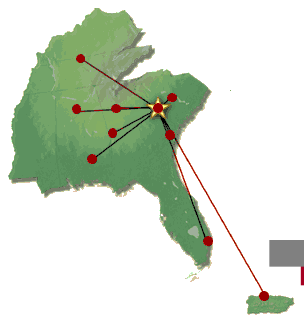
Government printing = the printing, binding, and blank bookwork for use of the Government



Mandatory Sources

DA BLANKET PURCHASE AGREEMENT—OFFICE SUPPLIES

- Mandatory use of DoD Electronic Mall (Emall) for Office Supplies
- Access at www.emall.dla.mil
- Federal Supply Group 75 only
- Rotate vendors

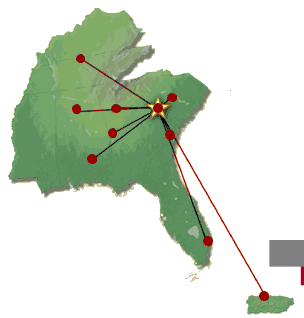


Mandatory Sources

DA BLANKET PURCHASE AGREEMENT—
OFFICE SUPPLIES

Exceptions—

- Unable to satisfy urgent need
- Unable to meet minimum/maximum order
- Outside area of geographical coverage
- Use of Self Service Supply



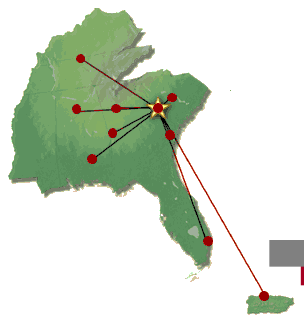
Mandatory Sources

DA BLANKET PURCHASE AGREEMENT—OFFICE SUPPLIES

Document file with—

- Exception
- Emall information
- Order confirmation

NOTE: Use EDIT MEMO button to request invoice



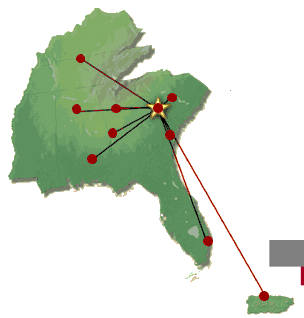
Surveillance Process

ROUTINE

- **Review activity—vendors, dollars**
- **Certification**
- **Delinquency**

QUARTERLY

- **Checking accounts—by a disinterested third party**
- **Inactive accounts—required use @ 50%**



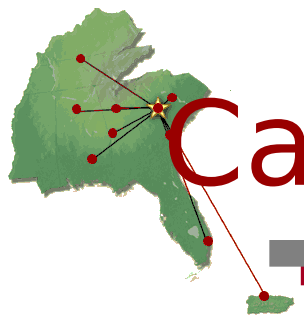
Surveillance Process

ANNUALLY:

Conduct on-site surveillance (where practicable) reviewing—

- 100% of managing accounts
- 100% of cardholder accounts

Note: Account documentation compared against checklist in SOP



Cardholder Responsibilities

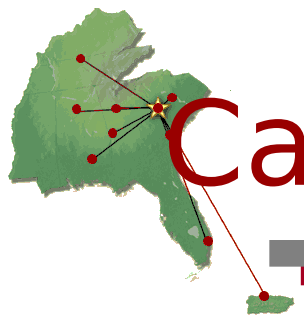
See SERCO SOP, para 12, Roles and Responsibilities

Did you use the card “FOR OFFICIAL USE ONLY?

Did you authorize “ANY ONE” to use your card or account number?

Did your process any unauthorized purchases?

Empowerment Brings Responsibility

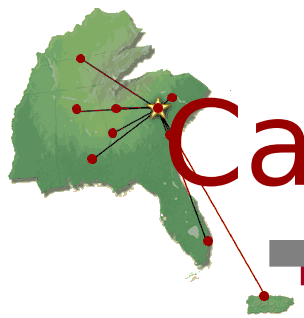


Cardholder Responsibilities

See SERCO SOP, para 12, Roles and Responsibilities

Did you follow acquisition regulations?

- The micro purchase threshold for the purchase card is—
- The micro purchase threshold for construction is—



Cardholder Responsibilities

- The micro purchase threshold for the purchase card is— $2,500

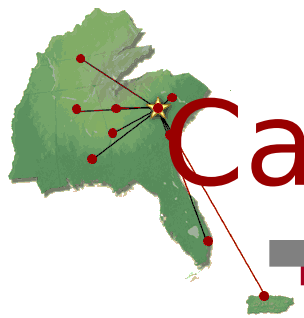
- The micro purchase threshold for construction is— $2,000

Cardholder Responsibilities

See SERCO SOP, para 12, Roles and Responsibilities

Did you obtain all approvals and post to them to file?

- Billing official
- Information Management
- Library (for books over $100) (See AR 735-17)
- Medical Maintenance
- Property Book Office



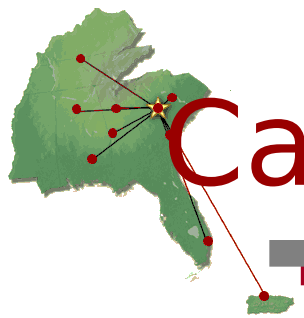
Cardholder Responsibilities

See SERCO SOP, para 12, Roles and Responsibilities

Did you process all medical items—

- Through the supply account?
- Through DMLSS?

Note: Logistics will identify those medical requirements that they can not process for you

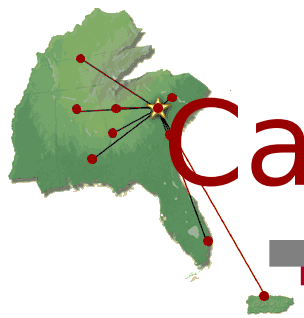


Cardholder Responsibilities

See SERCO SOP, para 12, Roles and Responsibilities

Were files documented with—

- Complete pricing information?
- Delivery information?



Cardholder Responsibilities

See SERCO SOP, para 12, Roles and Responsibilities

Was pricing fair and reasonable—equal to or less than the general public?

IAW the FAR, the cost to compare/compete exceeds the savings gained through the use of the card—use your knowledge of the market place to determine fair and reasonable pricing

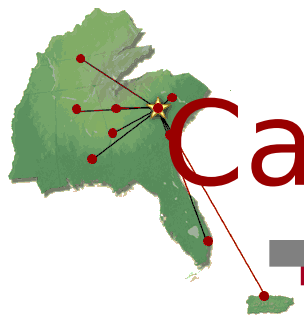
Cardholder Responsibilities

See SERCO SOP, para 12, Roles and Responsibilities

Did you pay sales tax? You must inform the vendor that —

- **All purchases are tax exempt**
- **Tax exempt number – 1st 8 digits of account number**
- **Tax certificates may be obtained from the following:**

http://www.fss.gsa.gov/services/gsa-smartpay/taxletter/



Cardholder Responsibilities

See SERCO SOP, para 12, Roles and Responsibilities

Were transactions entered into the *automated transaction log*—?

Order number
Requestor
Description
Person taking the order
Vendor
Transaction date
Total cost

Cardholder Responsibilities

See SERCO SOP, para 12, Roles and Responsibilities

Was transaction file appropriately documented?

- **Requestor**
- **Billing official's prior approval**
- **Itemized invoice or priced packing list**
- **Third party receiver—someone other than cardholder or billing official**

Cardholder Responsibilities

See SERCO SOP, para 12, Roles and Responsibilities

Were transaction files organized by—

- **Transaction Detail Report**
- **Filed by cycle**

New cycle end date beginning Nov 05 = 19th

Cardholder Responsibilities

PURCHASE REQUIREMENT

Description_____

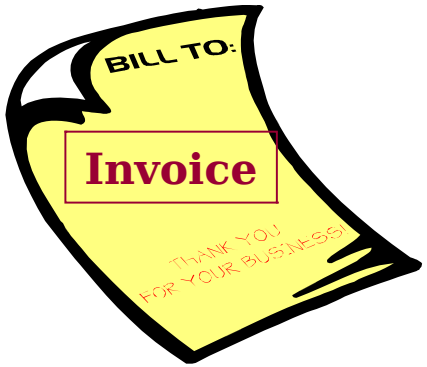
_____

Requested by: _____

Approved by: _____

Received by: _____

\+



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January

Full Transaction Detail Report

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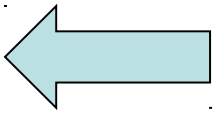


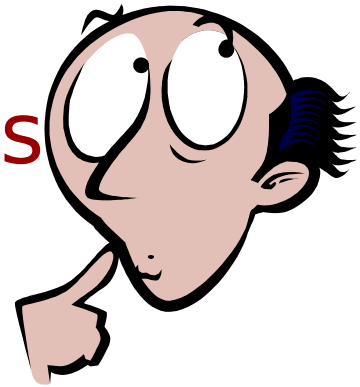
Transaction File

Cardholder Responsibilities

See SERCO SOP, para 12, Roles and Responsibilities

Did cardholder split purchases?

What constitutes a split purchas



Cardholder Responsibilities

SPLIT PURCHASE

The intentional breaking down of a known requirement to stay within a threshold ($2,500 micro-purchase threshold) to avoid formal contractual procedures

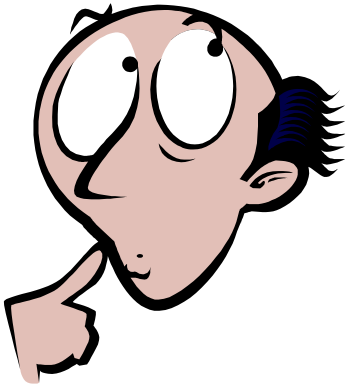
Not authorized for the GPC

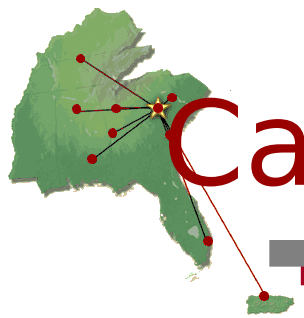
Cardholder Responsibilities

See SERCO SOP, para 12c, Roles and Responsibilities

Did cardholder back order?

What is back ordering?



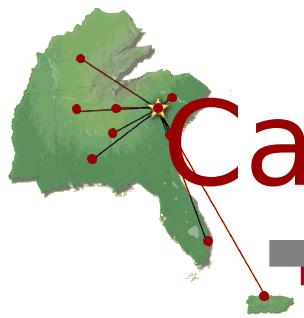


Cardholder Responsibilities

BACK ORDER

The ordering of an item not readily available—delivery after 30 days

Not authorized for the GPC



Cardholder Responsibilities

See SERCO SOP, para 12c, Roles and Responsibilities

Was account reconciled and approved within 2 days of cycle closing?

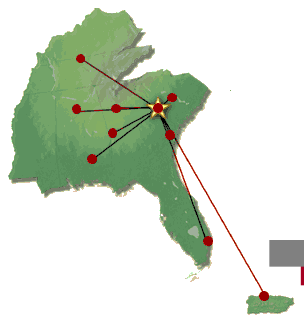
- Was the correct amount charged?
- Did you receive your product or service?
- Were you charged taxes?

Cardholder Responsibilities

See SERCO SOP, para 12c, Roles and Responsibilities

Were improper charges disputed correctly?

Ensure you dispute fraudulent charges and report them to bank, BO, and A/OPC

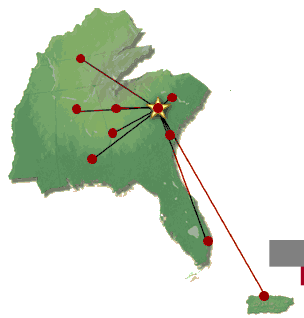


Disputes

MOST COMMON DISPUTES

- Items billed but not received
- Alteration of transaction amount
- Unauthorized or duplicate charges

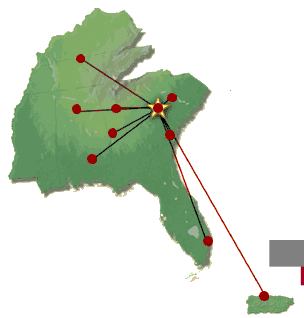
ALWAYS ATTEMPT TO RESOLVE DISPUTES WITH THE VENDOR 1ST



Disputes

AFTER ALL ATTEMPTS TO RESOLVE—DISPUTE

- Dispute within 60 days (after 60 days you lose the right to dispute)
- Cardholder statement of question item (CSQI) is automatically generated—complete
- Provide copy of CSQI to SERCO A/OPC @ DSN 773-2375



Disputes

US BANK WILL—

- Research the claim
- Notify YOU of the result
- If finding is in your favor, your account will be credited

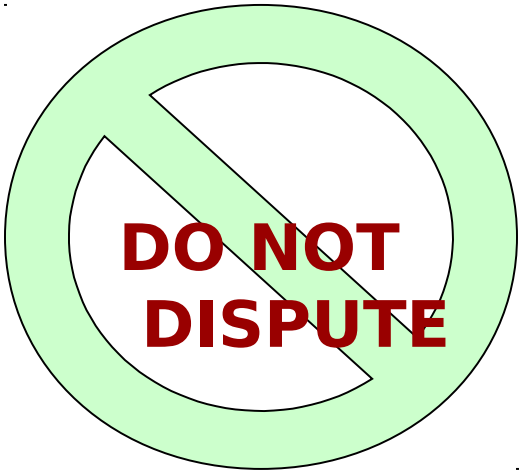
Disputes

SALES TAX

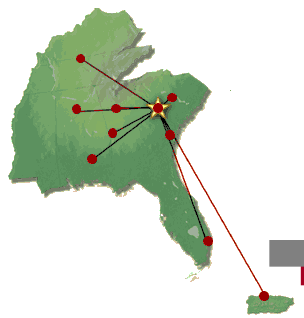
FREIGHT

SHIPPING

HANDLING CHARGES



NOTE: These discrepancies must be resolved with the vendor.

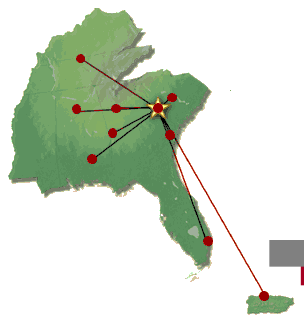


BO Responsibilities

See SERCO SOP, para 12, Roles and Responsibilities

Did you establish internal managing account procedures?

- **Prior approval**
- **Third party receiver**
- **Quarterly review of cardholder limits**
- **File retention**
- **Alternate billing official**

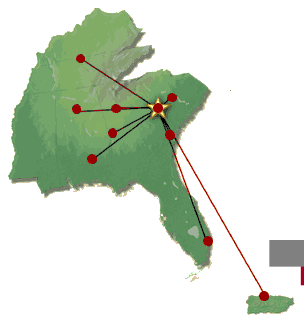


BO Responsibilities

See SERCO SOP, para 12, Roles and Responsibilities

Did you incorporate purchase card duties into performance standards?

Example: "Performs duties of cardholder/billing official IAW established policy, procedures, and guidelines"



BO Responsibilities

See SERCO SOP, para 12, Roles and Responsibilities

Did you review each cardholder statement for accuracy—do you know?

- What's being bought?
- Who is the source?
- How much the cardholder paid?
- Did you pre-approve the action?
- Did the invoice match the charge?

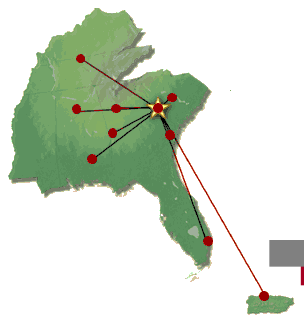
BO Responsibilities

See SERCO SOP, para 12, Roles and Responsibilities

Did transactions—

- Meet the legal requirements for authorizing GPC transactions?
- Have complete documentation?
- Have adequate documentation?

Note: Reviewing activity in CARE "only" does not ensure adequacy of documentation

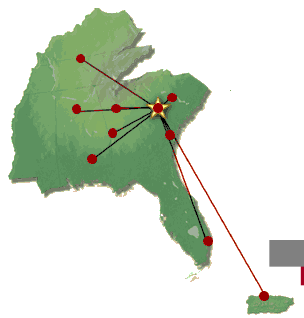


BO Responsibilities

See SERCO SOP, para 12, Roles and Responsibilities

Have you timely approved and certified the managing account?

- **CARE EDI accounts within 5 days following the close of the cycle**
- **Manual accounts within 15 days**
- **Act on behalf of the cardholder as needed to reconcile**

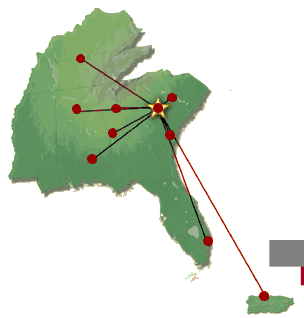


BO Responsibilities

See SERCO SOP, para 12, Roles and Responsibilities

Was your account delinquent?

Delinquent Account	**Action**
60 days	**All CH suspended**
180 days	**MTF suspended**
2 in 12 months	**Permanent closure**

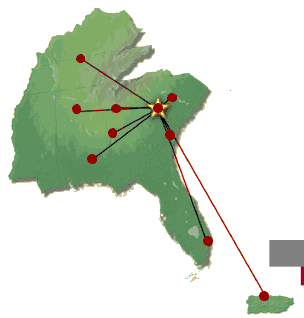


BO Responsibilities

See SERCO SOP, para 12, Roles and Responsibilities

Were interest penalties charged to the account?

- Assessed for late payments
- Calculated on dollar amount and on days past due
- Accrues 30 days after the cycle closes



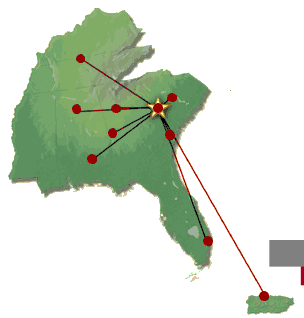
BO Responsibilities

See SERCO SOP, para 12, Roles and Responsibilities

Has documentation been maintained?

- **Billing statement for each cycle**
- **Individual transaction receipts and invoices**
- **Documentation of approvals**

All supporting documentation will be maintained for 6 years and 3 months for both active and closed accounts

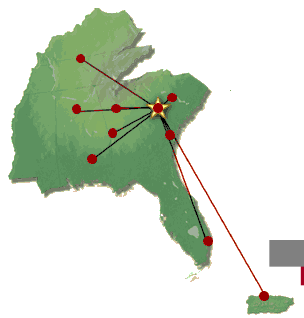


BO Responsibilities

See SERCO SOP, para 12, Roles and Responsibilities

Was the SERCO A/OPC notified of account changes?

- Closures
- Name changes
- Increases in spending limits
- Decreases in spending limits

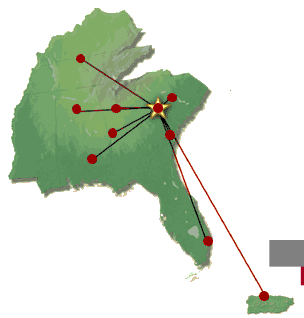


BO Responsibilities

See SERCO SOP, para 12, Roles and Responsibilities

Did you establish a tracking mechanism for "pay and confirm"?

Pay and confirm is the process of certifying invoices for payment before items are received



BO Responsibilities

How do you process a pay and confirm action?

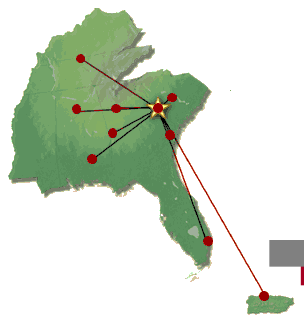
CH: Confirm with the vendor that the item shipped

Reconcile charge annotating not received

BO: Certify for payment

Flag transaction to ensure delivery

NOTE: Must have delivery within 45 days of the original invoice; otherwise dispute

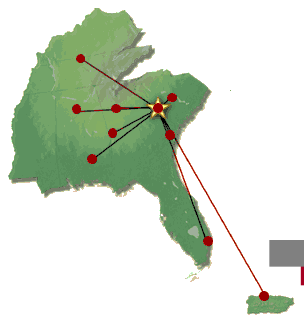


BO Responsibilities

See SERCO SOP, para 12, Roles and Responsibilities

Did you timely process EDI rejects?

- **Must process manually**
- **Must print statement, sign, and forward to RM immediately upon notice of reject**



BO Responsibilities

See SERCO SOP, para 12, Roles and Responsibilities

Did you continually earn Rebates?

- **Based on individual managing account**
- **Paid quarterly**

Did facility meet target rebate?

Target rebate = 85% of available dollars

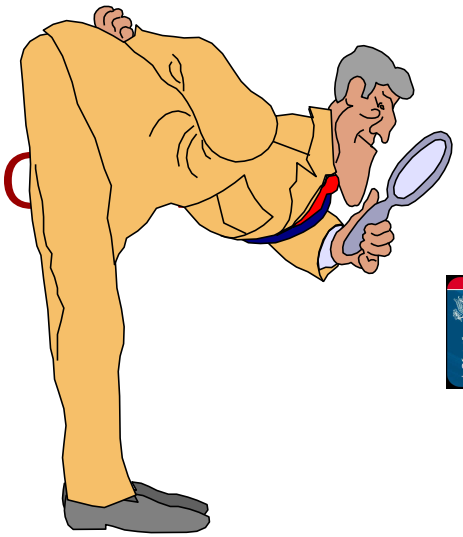
Rebates

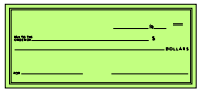
HIGH VISIBILITY AND MONITORING

DOD DA

MEDCOM REC

MTF

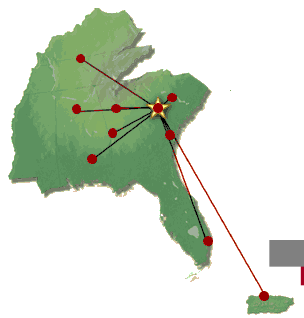




Rebates

WHAT ARE REBATES??

- Bank's reward for early payment earned through early certification and early payment
- Total dollar value base on—
  - Overall turn around—period from close of cycle to the point that the bank receives payment
  - Total dollars spent

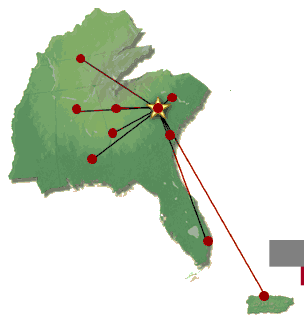


Rebates

MANFACTURER REBATES

- Are the property of the US Government and shall be used for US Government
- Manufacturer rebate checks shall be made out to the US Treasury

NOTE: Property offered in lieu of rebate belongs to the US Government



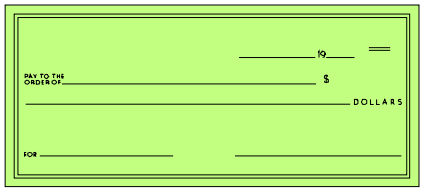
Lost or Stolen

SAFEGUARD ACCOUNT AT ALL TIMES

- Protect card, documentation, bank access codes
- Report if lost or stolen to the US Bank 1st at 1-888-994-6722
- Notify billing official and A/OPC within 24 hours in writing

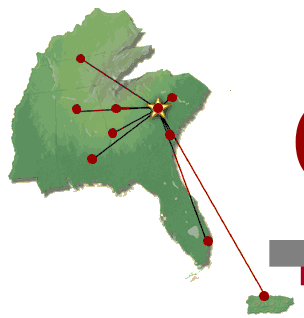
Convenience Checking

CONVENIENCE CHECKS



- For purchases under $2,500
- Where vendor does not accept the government purchase card
- Charged fee @ 1.7% face value of check

Did supporting documentation have the statement “does not accept the government purchase card” for each transaction?

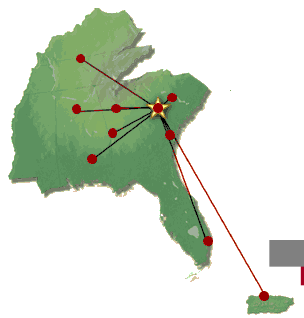


Convenience Checking

1099M TAX REPORTING SYSTEM

Did check writer document 1099M entry?

- Web site: https://dfas4dod.dfas.mil/systems/1099
- Report services, rent, and medical payments
- Enter actions as they are written
- Must be entered by 1 January each year
- Print 1099M entry for file

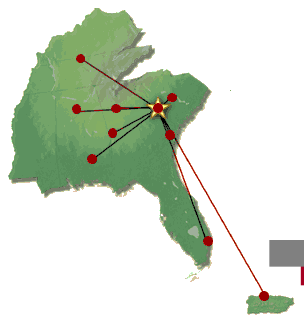


Payment Card

PURCHASE CARD AS PAYMENT TOOL

- Issued for payment up to $25,000
- Separate card for purchase card—not simply a purchase card with higher limit
- Restricted to Government awarded contracts
- Require Command level approval

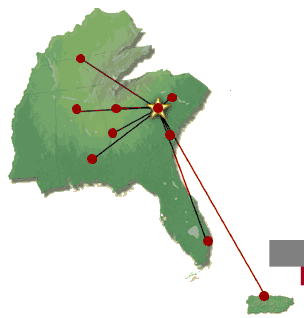
Did cardholder document comparison?



Payment Card

ORDER PROCESS

- Have a legitimately funded requirement
- Compare 3 established Government Contracts/Agreements
- Rotate among sources
- Document file
- Submit report of activity to SERCO the 1st of the month for previous month—1st day to last day



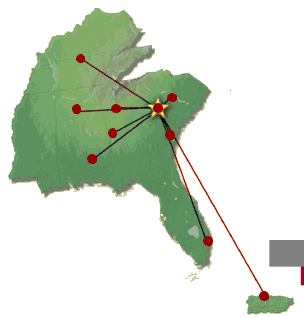
Payment Card

Payment Card Log of Activity

Cardholder: _____

Month: _____

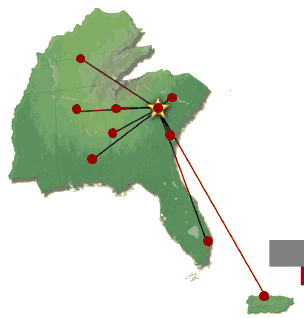
- **Posted date**
- **Vendor**
- **Amount**
- **Contract number**
- **Expiration date**
- **Business size**



Prohibited Items

SEE DA AND SERCO SOPs, APPENDIX D

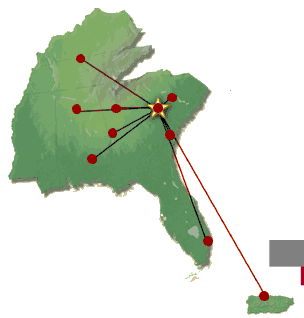
- Cash advances
- Travel related purchases
- Fuel
- Rental or lease of land and buildings
- Repair of leased vehicles



Prohibited Items

SEE DA AND SERCO SOPs, APPENDIX D

- Gifts/mementoes
- Telecommunication systems
- Construction services over $2,000
- Third party pay (Pay Pal)
- Unauthorized commitments (Ratification action)

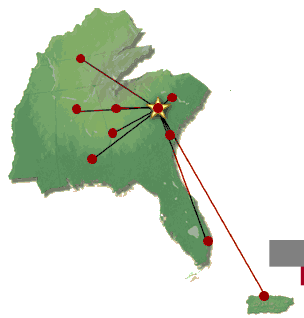


Pre-Purchase Approval

FOOD

Appropriated funds are not available to pay for food or refreshments.

Limited Exceptions: An event may qualify for appropriated funding if certain requirements are satisfied and documented—see Appendix D.

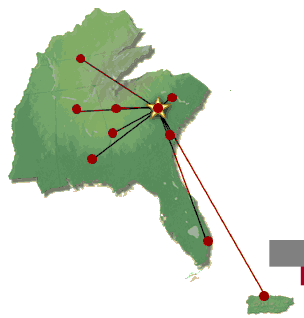


Pre-Purchase Approval

PERSONAL PURCHASES

No purchasing items for personal convenience/not for official Government use, to include all appliances, handheld/portable electronic devices, clothing, and seasonal decorations.

Limited Exception: If deemed proper by the agency official, usually an O-6 or above, as mission essential and a necessary expense of operating a facility, this may be considered an exception. Mission essential items must be documented and secured in the office at the end of the day.

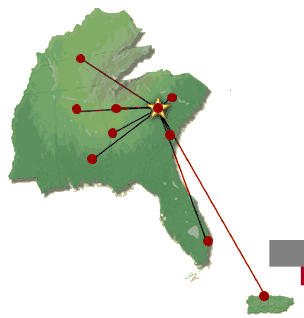


Pre-Purchase Approval

BOTTLED WATER

Cardholders are prohibited from purchasing bottled water service with their purchase card.

Limited Exception: If an agency has a report, from an outside water-testing agency, determining that the drinking water is harmful if consumed.

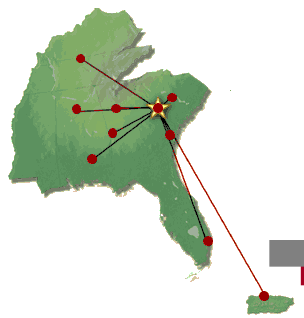


Pre-Purchase Approval

MOTOR VEHICLE LONG-TERM RENTAL OR LEASE

Cardholders are prohibited from entering into contracts for rental/lease of motor vehicles.

Limited Exception: Authorized for official nonrecurring Government functions for no more than 30 days .

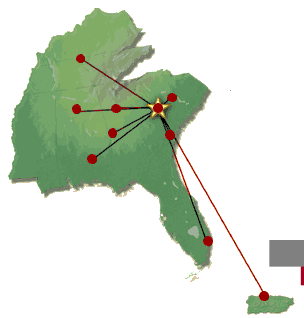


Pre-Purchase Approval

TROPHIES, AWARDS, PLAQUES, MEMENTOS

Cardholders are prohibited from purchasing give-away items for hails and farewells.

Limited Exception: Give-away items in support of employee recognition programs or by recruiters may be authorized if accomplished within authorizing regulation or an approved awards program.

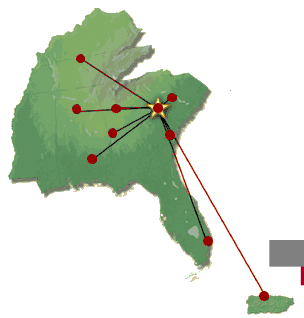


Pre-Purchase Approval

BUSINESS CARDS

Cardholders are not authorized to purchase business cards.

Limited Exception: May be purchased using existing software and agency-purchased card stock.



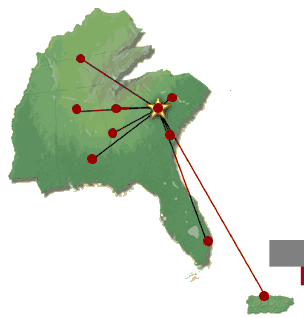
Pre-Purchase Approval

HAZARDOUS MATERIALS/CONTROLLED SUBSTANCE

Purchases of hazardous/dangerous materials must be approved by the local authority

Coordination with appropriate authority must be documented in the purchase card file

Purchases of controlled substances may only be made if the cardholder holds a Drug Enforcement Administration license



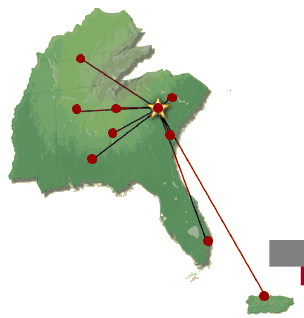
Accountability

BILLING OFFICIALS

Can be held financially liable for erroneous payments resulting from their negligent performance of duty

CARDHOLDERS

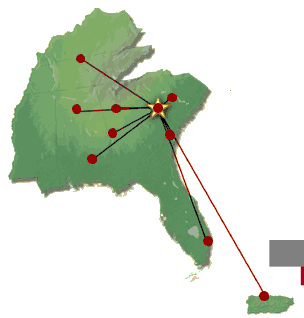
Can be held liable for all non-government transactions



Accountability

MILITARY DISCIPLINE GUIDANCE

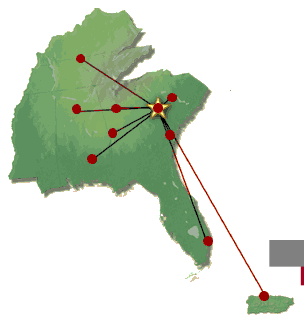
- Counseling
- Admonishment
- Reprimand
- Non-judicial punishment (Article 15)
- Civil enforcement action
- Pecuniary liability
- Criminal prosecution in civilian court



Accountability

CIVILIAN EMPLOYEES DISCIPLINE GUIDANCE

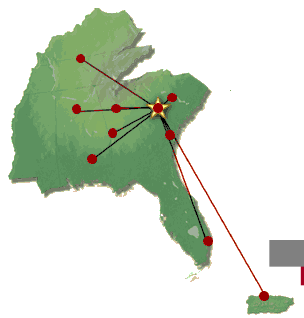
- 1st offense letter of counseling to removal
- 2nd offense 14-day suspension to removal
- 3rd offense 30-day suspension to removal



Ethics

CONFLICTS OF INTEREST

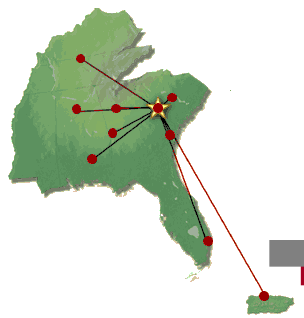
- Employee shall not use public office for private gain
- Employee shall not engage in outside employment that conflicts with official duties and responsibilities
- If no conflict, consider whether there is the appearance of conflict of interest



Ethics

EXAMPLE

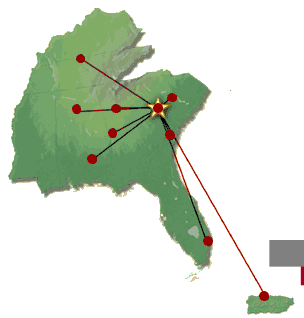
- Spouse or relative
- Business partner or associate
- Organization in which you have an office
- Organization in which you have an arrangement for employment or are employed



Ethics

PROHIBITED SOURCES

- A government employee shall not solicit or accept gifts from a prohibited source
- Nor accept a gift in return for being influenced in the performance of you official duties

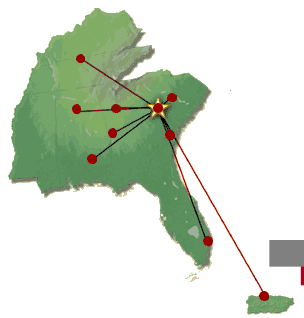


Ethics

EXAMPLE

Any person who—

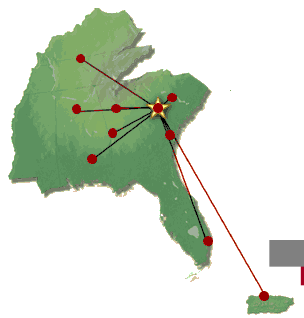
- Seeks official action by your agency
- Does business with your agency
- Conducts activities regulated by your agency
- Has interests that may be affected by your performance of official duties



Ethics

$20/$50 RULE

- Generally prohibited from accepting gifts from a prohibited source
- Employees may accept gift valued up to $20 as long as gifts received from one source does not exceed $50 in a CY
- If employee receives gift valued >$20, employee must either return it or pay full value for it

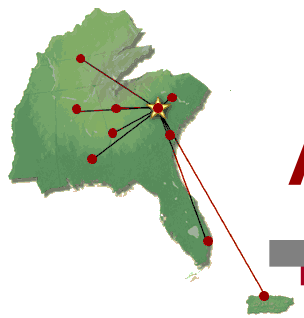


Ethics

EXAMPLE

–

- You give a speech as part of your official duties, you may accept a gift valued at $20 or less
- You are given a $21ticket to a baseball game—you MAY NOT pay a $1 and keep the ticket

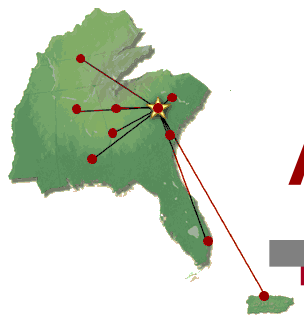


Application Procedures

MUST SUBMIT THROUGH THE MTF POC TO THE A/OPC AT SERCO

NOMINATION

- **Billing official or alternate—memorandum from the command/director level**
- **Cardholder—memorandum from the BO**
  - **Justification for account**
  - **Type of actions to be procured**



Application Procedures

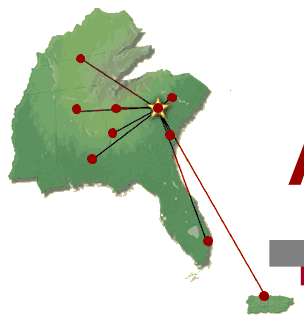
PROOF OF TRAINING

- **8-hour classroom**
- **DAU Government Purchase Card Tutorial—4-hour**
- **Acquisition Ethics—must complete annually**

CREDIT WORTHINESS FORM

Cardholders only

Complete with supervisor/command signature

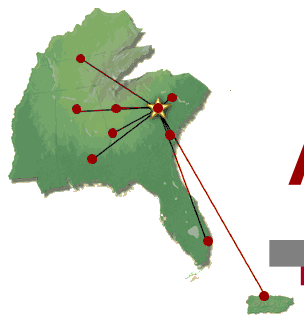


Application Procedures

COMPLETED APPLICATION

- Name, Office Address, Work Telephone Number
- Single Purchase/Monthly Limits
- Billing Official and Managing Account Number for Cardholders

NOTE: Provide past accounts held by nominee and the issuing office for that account



Application Procedures

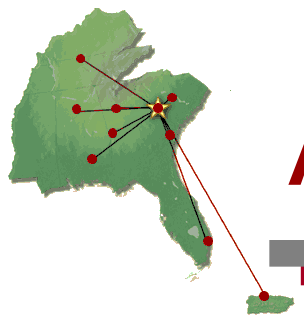
NOTE: Applications for Billing Official must include “1” verification question

Mother’s maiden name _____

Child’s name _____

Pet’s name _____

Favorite sport’s team _____



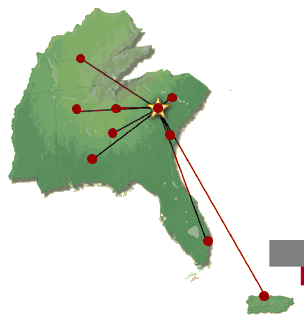
Application Procedures

BILLING OFFICIALS RECEIVE

Appointment, acknowledgement, and DD Form 577 (these must be signed and returned to SERCO before we release your CARE access)

CARDHOLDERS RECEIVE

Card, delegation, and acknowledgement (acknowledgement must be signed and returned to SERCO)



Refresher Training

QUESTIONS